

Message Text

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47 45

ACTION TRSE-00

INFO OCT-01 EA-11 ISO-00 EB-11 OMB-01 AID-20 L-03 IO-14

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FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 7329

LIMITED OFFICIAL USE KUALA LUMPUR 3072

EO 11652: N/A

TAGS: EFIN IBRD IMF MY

SUBJ: WORLD BANK/IMF PROPOSALS TO INCREASE EXECUTIVE
DIRECTORS' AND ALTERNATES' SALARIES

RKREF: STATE 132801

1. EMBOFF DISCUSSED PROPOSED SALARY INCREASE WITH RAYMOND NAVARATNAM, DEPSEC GEN IN MINISTRY FINANCE AS REQUESTED REFTEL. NAVARATNAM, DEP SEC GEN IN MINISTRY FINANCE AS REQUESTED REFTEL. NAVARATNAM, WHO HAS SERVED AS DEPEXEC DIRECTOR IN WB/IMF, SAID THAT HE NOT AWARE OF PROPOSAL, AND IT HAS NOT BEEN DISCUSSED IN MINISTRY. HE ACKNOWLEDGED LIKELIHOOD PROPOSAL HAS NOT OR HAS NOT YET BEEN TRANSMITTED TO KUALA LUMPUR. EMBOFF CITED FIGURES FROM REFTEL TO SHOW HIM MAGNITUDE AND PRACTICAL IMPACT OF PROPOSED INCREASE.

2. NAVARATNAM EXPRESSED VIEW THAT PRESSURE FOR DIRECTORS' SALARY INCREASE IS RESULT OF THEIR DESIRE TO STAY AHEAD OF HIGHLY PAID STAFF EMPLOYEES. FROM HIS EXPERIENCE DIRECTORS BELIEVE THEIR AUTHORITY AND STATUS VIS-A-VIS STAFF ARE

JEOPARDIZED AS STAFF SALARIES MOUNT. HE BELIEVES DIRECTORS PRESENT SALARY SCALE IS ADEQUATE AND FEELS PRESSURES FOR INCREASES WOULD SUBSIDE IF STAFF SALARIES ARE RETAINED AT LEVELS REASONABLY LOWER THAN DIRECTORS. HE
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BELIEVED, HOWEVER, THAT ALL SALARIES SHOULD BE ESCALATED

IN LINE WITH COST OF LIVING INCREASES.

3. COMMENT: AS NOTED PARA 1 NAVARATNAM COULD NOT GIVE
A DIRECT ANSWER TO OUR QUESTION RE GOM POSITION. HOWEVER,
HE INDICATED SYMPATHETIC RESPONSE TO US POSITION, WITH
PROVISO OF COLA ADJUSTMENTS. IF TREASURY WISHES US TO
HAVE FURTHER DISCUSSIONS ON SALARY PROPOSAL, EMBASSY
WOULD APPRECIATE INFO REGARDING NAVARATNAM'S POINT ON
STAFF SALARIES AND APPROPRIATE COMPARATIVE DATA.
UNDERHILL

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Message Attributes

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